RISK MANAGEMENT POLICY

[Pursuant to Section 134 (3) (n) of Companies Act, 2013 & rules framed thereunder]

Narsingh Ispat Limited recognizes that enterprise risk management is an integral part of good management practice that enables and helps the management remain geared up to face any foreseeable eventuality in the course of its business. In view of business structure of the Company, it becomes all the more imperative on it part to have in place a robust Risk Management Policy that can handle varied risks peculiar to each type of geographies and broad customer's pattern. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

Effective risk management allows us to:

- Have increased confidence in achieving our goals
- Manage risks at tolerable levels
- Make informed decisions
- Strengthen corporate governance procedures

➢ OBJECTIVE

The risk management objectives are to;

- embed the management of risk as an integral part of our business processes;
- establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels of the Company;
- avoid exposure to significant financial loss;
- contribute to the achievement of the Company's objectives; and
- assess the benefits and costs of implementation of available options and controls to manage risk.

➢ REGULATORY

Risk Management Policy is framed as per the following regulatory requirements:

A. Companies Act, 2013:

1. Provisions of the Section 134(3)

"There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company."

2. Section 177(4) stipulates:

"Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—

(vii) Evaluation of internal financial controls and risk management systems."

3. Schedule IV [Section 149(8)] : Code for Independent

Directors:

II. Role and functions:

"The independent directors shall:

(1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of risk management….

(2) Satisfy themselves that the Systems of risk management are robust and defensible."

➢ POLICY STATEMENT

- All employees are responsible for managing risk in so far as is reasonably practicable within their area of activity.
- Sound risk management principles and practices will become an integral part of the normal management strategy for all departments within the Company.
- Implementation of risk management strategy is a priority and will be accomplished through embedding a risk management ethos in all aspects of the Company's activity.
- Accountability for managing risk must be clear and reflected in all individual job descriptions, with relevant key performance indicators.
- The management of risk will be integrated into the Company's existing strategic planning and operational process and is to be fully recognized in the funding and reporting processes.
- Will ensure that the necessary resources are made available to those accountable and responsible for the management of risk.
- This policy will be reviewed and updated as required on an annual basis or in the event of a significant change of circumstances.

➢ ROLES AND RESPONSIBILITIES OF BOARD

The board should fulfil certain key functions, including:

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

➢ ROLE OF AUDIT COMMITTEE IN RISK MANAGEMENT

The following shall serve as the Role and Responsibility of the Audit Committee authorized to evaluate the effectiveness of the Risk Management Framework:

- Review of the strategy for implementing risk management policy.
- To examine the organization structure relating to Risk management.
- Evaluate the efficacy of Risk Management Systems – Recording and Reporting.
- To review all hedging strategies/risk treatment methodologies vis a vis compliance with the Risk Management Policy and relevant regulatory guidelines.
- To define internal control measures to facilitate a smooth functioning of the risk management systems.

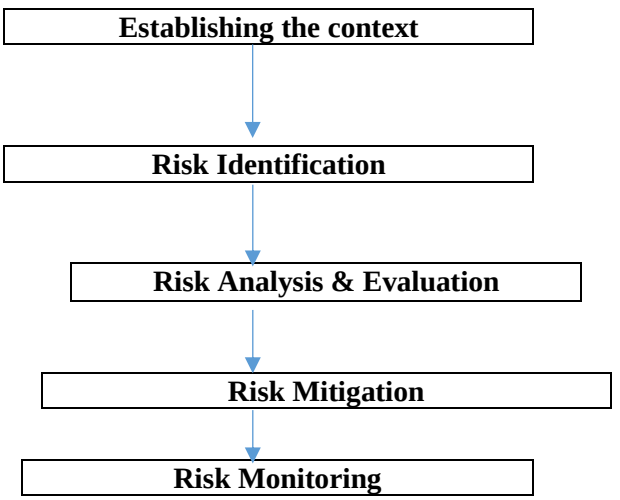
- Ensure periodic review of operations and contingency plans and reporting to Board in order to counter possibilities of adverse factors having a bearing on the risk management systems.

➢ RISK MANAGEMENT FRAMEWORK

Define and Develop a Risk Management Framework:

Risk management will protect and add value to the organization and its stakeholders through supporting the organization's objectives by improving decision making, planning and prioritization by comprehensive and structured understanding of business activity, volatility and predict opportunity / threat. It will provide a framework that enables future activity to take place in a consistent and controlled manner. The framework will help in creating an environment in which risk management is consistently practiced across the Company and where management can take informed decisions to reduce the possibility of surprises. A risk management framework is a set of references and tools that management as decision-makers will rely on to make decisions about how to mitigate risk.

The Company's approach to risk management is summarized as below:



➢ REVIEW/ AMENDMENT OF THE POLICY

The Policy will be reviewed on a need basis, but not later than 2 years from the date of previous review by the Board / Committee. The Board, either on its own or as per the recommendations of the Risk Management Committee, can amend this Policy, as and when it is deemed necessary. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.